

CHAPTER 10000 CONTRACT MANAGEMENT

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CHILDREN'S ADMINISTRATION OPERATIONS MANUAL

Chapter 10000-Contract Management

10100 GENERAL POLICIES

- A. Children's Administration (CA) may purchase services, which are not provided by the department. The services are to be consistent with the mission and values contained in the *CA Case Services Policy Manual*, chapter 1000, section 1200. CA staff responsibilities are delineated in section 10300, below.
- B. Purchases shall be made in accordance with chapters 39.29 and 43.19 Revised Code of Washington (WAC); *Washington Financial and Administrative Policies, Regulations and Procedures Manual*; Office of State Procurement General Authorities; *DSHS Procurement Manual*; and DSHS Administrative Policies 13.06, 13.07, and 13.08.
- C. The department shall pay a provider after goods or services have been delivered. Payment before costs are incurred constitutes loaning the state's credit, a violation of the state's constitution and is, therefore, illegal.
- D. Total expenditures and obligations of purchases shall not exceed the CA allotment.
- E. No contract may be executed or renewed if it would have the effect of terminating classified employees or classified employee positions existing at the time of execution or renewal of the contract.

RCW 41.06.380
- F. The regional business manager or Headquarters fiscal manager, or designee, shall determine if goods or services to be purchased are:
 - 1. On a mandatory state contract; or
 - 2. A mandatory Central Stores item; or
 - 3. Authorized to be purchased under "General" or "Specific" Authorities; or
 - 4. Requires a contract for purchase.

10200 DSHS CONTRACTS

- A. DSHS policy requires a written agreement prior to the commencement of any work by a contractor if the service cannot be purchased by methods stated under section 10100.
- B. CA contracts are developed under the direction of contract coordinators and must be processed through the CA Contracts Manager.
- C. Contracts must be processed in accordance with requirements established by the DSHS Central Contracts Services and the Office of Administrative Resources.

10210 Client Service Contract

- A. A Client Service Contract is used to acquire direct services for department clients (as opposed to department staff). Examples of client services include, but are not limited to, resource intensive services (group care), therapeutic child development, family preservation services, etc.
- B. Most Client Service Contracts are either presigned "form" contracts (single document) or a two-part contract instrument employing Basic Terms and Conditions and a Client Service Work Order.
 - 1. "Basic Contract Terms and Conditions" contain the basic terms and conditions under which two parties will do business. It has no maximum consideration and no statement of work; those are added by Client Service Work Orders. Each contractor has only one executed Basic Contract Terms and Conditions.
 - 2. "Client Service Work Orders" describe services which are being purchased from a contractor; consideration to be paid; payment and billing instructions; how the contractor will be evaluated; consequences for non-compliance; rules regarding sub-contracting; required credentials and minimum requirements; and requirements for audits.
- C. Client Service Contracts are exempt from the competitive procurement and filing requirements in chapter 39.29 RCW, but sometimes a competitive procurement or informal solicitation is completed in the best interest of the department.
- D. The DSHS Secretary has delegated authority to sign Client Service Work Orders to only the following CA staff:
 - 1. Assistant Secretary;
 - 2. Directors;
 - 3. Regional Administrators;
 - 4. Regional Business Managers; and
 - 5. Contract Coordinators.

10220 Personal Service Contract

- A. A Personal Service Contract acquires professional or technical services for the department and department staff (as opposed to clients). Personal services are those provided by a consultant to accomplish a specific study, project, task, or provide employee training. A Personal Service Contract is a single document, which includes special and general terms and conditions and a statement of work.
- B. These contracts are governed by chapter 39.29 RCW and must comply with competitive procurement and Office of Financial Management (OFM) filing requirements.

10230 Interagency Agreement

- A. An Interagency Agreement is a contract between the department and any public agency, political subdivision, or unit of local government of Washington State.
- B. These include but are not limited to, municipal corporations, quasi-municipal corporations, special purpose districts, and local service districts; any agency of the state government; any agency of the United States; and any political subdivision of another state.

10240 Indian Nation Intergovernmental Agreement

- A. As with Basic Client Service Contracts, the Indian Nation Intergovernmental Agreement is a two-part contract composed of a Basic Agreement containing general terms and conditions and an Indian Nation Work Order.
- B. The Indian Nation Intergovernmental Agreement is used to contract with any federally recognized tribe in the state of Washington.
- C. This type of contract may be used to provide client services, but they are not referred to as Client Service Contracts because the services are provided by a sovereign nation.

10250 Purchase Service Contracts

- A. Purchase Service Contracts are used when purchasing goods, equipment, or services outside of delegated authority.
- B. Services purchased under a Purchase Service Contract must be essential to accomplish routine, continuing, and necessary functions within the department. Purchase Service Contracts are governed by chapter 43.19 RCW and the Department of General Administration (GA).

10300 CONTRACT MANAGEMENT RESPONSIBILITIES

10310 Statewide Programs

- A. The responsibility for development and administration of boilerplate contracts for statewide programs is a coordinated effort between headquarters and regional staff.
- B. Program managers and contracts coordinators collaborate in developing contracts and in notifying contractors when there is a mandated vendor rate increase.
- C. CA Directors and the Assistant Secretary shall approve boilerplate contracts prior to implementation of contracted programs.
- D. Regional contract coordinators oversee negotiations and processing of contracts. If a contract warrants revision, headquarters staff coordinates the revision with regional staff.

- E. The CA Assistant Secretary shall approve all contracts.

10320 Social Workers

- A. Social workers have the following responsibilities with respect to contracts:
1. If a service is needed, obtain direction from the regional business manager regarding method for purchasing. See section 10100, paragraph F.
 2. If a contract is required, review CAMIS SBUS for a current contract. If there is no current contract for the service, submit a written contract request to the regional contracts coordinator.
 3. Once the contract is signed by both the contractor and DSHS, initiate client referrals for contracted services in accordance with regional procedures, including provision of basic client information consistent with the requirements of the *CA Practices and Procedures Guide*, chapter 4000, section 4422.
 4. Initiate "Shared Decision Making" staffings with contractors when deemed appropriate.
 5. Authorize payments to contractors in a timely, accurate manner.
 6. If a contractor initiates a CPS referral, transfer the contractor to CPS intake to complete the referral. CPS staff will notify the contractor of actions taken as a result of the referral. See the *CA Practices and Procedures Guide*, Chapter 2000, Section 2330.
 7. Document and report potential contract violations, late reports, problems, etc., with a contractor to the regional contracts coordinator through the CAMIS Contract Complaints Module.

10330 Contract Coordinators

- A. Contract coordinators have the following responsibilities:
1. Negotiate, develop, and write contracts;
 2. Process contract documents;
 3. Ensure contract information is entered into CAMIS;
 4. Request background clearances for contractors, their employees, subcontractors, and volunteers who may have unsupervised access to children;
 5. Provide technical assistance to CA staff and contractors;
 6. Facilitate monitoring of contractors' performance;

7. Facilitate corrective action process for contractors;
8. Initiate investigation of complaints concerning contractors;
9. Maintain contract files;
10. In coordination with headquarters staff, notify contractors when there is a change in fees or rate schedules; and
11. Obtain appropriate approvals for contracts.

10340 Regional Business Managers

- A. The regional business manager, under direction of the Regional Administrator:
 1. Establishes allotments for contracted services; and
 2. Monitors payments to contractors against allotments and contract obligations.

10350 Program Managers

- A. Program managers perform the following functions:
 1. Provide technical assistance in the coordination and monitoring of contracted programs for compliance with statutes, regulations, and department policies; and
 2. Monitor performance of contractors under contracts for which they are responsible.

10360 Regional Administrators and Directors

Regional Administrators and Directors shall have a system in place to monitor contacts within their area of responsibility.

10400 CONTRACT PROCUREMENTS

- A. Chapter 39.29 RCW and *Washington Financial and Administrative Policies, Regulations and Procedures Manual*, Part 4, Chapter 3, set forth procurement requirements for state contracted services.
- B. OFM electronically maintains a "Guide to Personal Service Contracting" which is located on the OFM Home Page at <http://www.wa.gov/ofm>.

10410 Contracts Exempt from Procurement Requirements

- A. The following types of contracts are exempt from procurement requirements.
 1. Client Service Work Orders;

2. Interagency Agreements;
3. Indian Nation Intergovernmental Agreements;
4. Expert witnesses for the purpose of litigation; and
5. Collaborative research where prior approval of the contractor is granted by the funding source.

10420 Procurement Requirements For Personal Service Contracts

- A. The following methods of procurement, lead times, and approvals are required for personal service contracts, which are not sole source. The amounts indicated are **cumulative** contract awards per fiscal year.

1.	Up to \$2,499	Competition not mandated Approvals: Regional Administrator, Director, and DSHS Central Contracts Services (CCS).
		Lead Time: 10 days
2.	\$2,500 to \$9,900	Evidence of Competition Approvals: Regional Administrator, Directors
		Lead Time: 30 days
3.	\$10,000 or more	Competitive Procurement (RFP or RFQ/Q) Approvals: Directors, Assistant Secretary, CCS, OFM 10 Day Advance Filing with OFM Lead time: 90 days

10430 Methods of Procurement

- A. Competitive procurements for personal services are governed by chapter 39.29 RCW and OFM; purchase services are governed by chapter 43.19 RCW and the Department of General Administration.
- B. Information technology purchased goods and services are governed by chapter 43.105 RCW and the Department of Information Services (DIS).

10431 Evidence of Competition

- A. Evidence of Competition is accomplished by issuing a written letter of solicitation to, at a minimum, three prospective contractors. The letter includes:
 - 1. A description of the type of services required;
 - 2. The proposed contract period of performance;
 - 3. A request for information regarding prospective contractor's qualifications;
 - 4. A request for a quotation of cost to perform the service; and
 - 5. The due date and location for responses to be submitted.
- B. The contracts coordinator shall document the process used in selection of the contractor as follows:
 - 1. The names of firms contacted;
 - 2. A copy of the solicitation letter;
 - 3. Information on how the prospective contractors responded;
 - 4. A description of the evaluation and selection process; and
 - 5. The reasons(s) for selection of the successful contractor.

10432 Formal Competitive Procurement

- A. A formal competitive procurement is used when required by law, or, in the judgment of the Assistant Secretary, it would be the best way to:
 - 1. Obtain quality services and products for the best price;
 - 2. Maintain trust and good faith with the provider community; and/or
 - 3. Minimize controversy.
- B. Formal competitive procurement is accomplished through a Request for Proposal (RFP) or Request for Qualifications/Quotation (RFQ/Q).
 - 1. In an RFP, the needed project or service is identified. Prospective contractors submit competitive proposals, which explain how the project or service can be accomplished, their qualifications and experience, and a cost proposal. Each proposal submitted is evaluated through a formal review process. The successful bidder is usually selected based upon cost and ability to perform the proposed service in the most effective, efficient manner.

2. In an RFQ/Q, the needed service is explained in detail. Prospective contractors submit their qualifications and experience to perform the service along with a cost proposal. The successful bidder is selected through a review process based upon qualifications, experience, and cost.
- C. Competitive procurements are managed by CCS to ensure procurements meet legal and regulatory requirements. **CA staff must not reply to potential bidder's questions, inquiries, etc.,** concerning a particular competitive procurement. Instead, CA staff instructs potential bidders to contact CCS directly for answers concerning questions, inquiries, etc.

10433 Informal Procurement

- A. An informal solicitation is a shorter, more flexible procurement process than the formal competitive procurement. Subjective criteria may be used to evaluate potential contractors rather than applying points and scores to responses. Unlike formal competitive procurements, CA staff may participate in the evaluation and selection of the contractor. Informal solicitations can be structured similar to "evidence of competition" and may include an interview process.
- B. Informal solicitation may **not** be used for Personal Service Contracts. See section 10420.
- C. Informal solicitation may be used at the department's discretion to procure client services when:
 1. A large amount of money is involved;
 2. The providers historically prefer this method of selection;
 3. The service being contracted for is sensitive or controversial; and/or
 4. A maximum "arms-length" process is desirable.

10434 Opportunities For Minorities, Women, and Indian Nations

- A. In accordance with chapter 39.19 RCW, certified Minority and Women-Owned Business Enterprises (MWBE) and other minority organizations shall have the opportunity to participate in procurements and contracts. Refer to DSHS Administrative Policies 7.09, 7.10, and 7.12 for more information.
- B. There are 27 federally recognized Indian Nations in the state of Washington. These Indian Nations shall be notified of any CA procurement that might be of interest to them.

10435 Sole Source Contracts

- A. Sole Source Contracts are initiated for personal services, which are unique, and the Sole Source contractor is justifiably the only practical source to provide the service. The following requirements and approvals apply for Sole Source Contracts:

1. Up to \$2,499 Sole Source Documentation
 - a. Approvals: Regional Administrator, Directors, and CCS
 - b. Lead Time: 10 days
 2. \$2,500 to \$9,999 Sole Source Documentation
 - a. Approvals: Regional Administrator, Directors, and Assistant Secretary
 - b. 10 Day Advance OFM Filing
 - c. Lead Time: 20 days
 3. \$10,000 or more Newspaper Advertisement
 - a. Sole Source Documentation
 - b. Approvals: Regional Administrator, Directors, Assistant Secretary, CCS, OFM
 - c. 10 Day Advance OFM Filing
 - d. Lead Time: 30 days
 4. The Director, CA Division of Management Services, needs to approval **all** sole source contracts.
- B. *Washington Financial and Administrative Policies, Regulations and Procedures Manual*, Section 4.3.1.3.3, fully explains the rules and regulations concerning sole source contracts/work orders. Any Personal Service Contract for \$2,500 or more that is procured as a sole source must be justified to the OFM. OFM reviews and approves these Personal Service Contracts prior to execution.

10500 VERBAL AGREEMENTS

- A. Staff shall **not** enter into verbal agreements with contractors, which are inconsistent with the terms and conditions of the Basic Contract and/or Client Service Work Order.
- B. All other verbal agreements shall be reiterated in writing to the contractor.
- C. Staff shall not rely on trust, verbal understandings, or traditions.

10600 NON-DISCRIMINATION RESPONSIBILITIES OF CONTRACTORS

- A. Contractors must comply with the DSHS Non-Discrimination Plan, as amended, and with the requirements of federal and state laws on which it is based. The laws include:
 1. 1964 Civil Rights Act, Titles VI and VII;
 2. Executive Order 11246, as amended by Executive Order 11375;
 3. 1973 Rehabilitation Act, Sections 503 and 504;

4. 1975 Age Discrimination in Employment Act;
5. 1974 Vietnam Era Veterans Readjustment Assistance Act;
6. 1990 Americans with Disabilities Act (ADA), as amended, including the provisions of Title II as applied to a public entity;
7. 1991 Civil Rights Act; and
8. Washington State Law Against Discrimination, chapter 49.60 RCW.

10700 EQUAL ACCESS REQUIREMENTS FOR CONTRACTORS

- A. All agencies under contract with CA must ensure that clients have equal access to services and programs administered with funding from CA.
 1. Contracted agencies must post multilingual signs to inform clients that interpretation/translation and accommodation services are available without cost to the clients.
 2. Contracted agencies must ensure equal access to services for clients through appropriate assessment of client interpretation/translation and special accommodation needs, identified and recorded in a manner which provides for consistent services to clients and data collection. Client records must include information regarding the dates interpreters, translations, or accommodations were provided and the names of the providers.
 3. Contracted agencies must develop and implement procedures for obtaining interpreters, translations, and accommodations for clients who need them in order to provide services as expediently as they are provided to other clients.
 4. The contracted agency must provide all necessary interpretation, translation, and accommodation services at no cost to the client. These costs are allowable provider costs that the contractor may bill to the agency's contract with CA. Billable costs may not exceed any rates that may be determined by the Regional Administrator. CA will reimburse all costs for interpretation, translation, and accommodation to contractors up to the amount of the contract award. CA will not reimburse funds in excess of the total amount of an agency's contract. Contracted agencies may not charge the department, as a discrete charge, for interpreter/translation services provided to clients by the contractor's staff. The cost of the service by contractor staff is incorporated into basic reimbursement from the department.

10800 CONTRACTOR CONFIDENTIALITY

- A. Contractors **must** maintain information concerning individuals in strictest confidence and safeguard all information, electronic and hard copy.

- B. The contractor **must** not disclose information on individuals directly or indirectly except in compliance with state and federal law and department policy. See chapter 13000, section 13720, PUBLIC DISCLOSURE.

10900 BACKGROUND INQUIRIES

- A. Background inquiries are to be completed pursuant to RCW 43.43.832 and 43.43.834 for all contractors, their employees, subcontractors, and volunteers who may have unsupervised access to children during the course of delivery of CA contracted services.
 - 1. If the contractor is licensed by CA, the licensing background clearance, if completed, is sufficient for this purpose.
 - 2. For those contractors not licensed by CA, an initial clearance will be completed before any contracted services may be delivered by the person being cleared.
 - 3. Background inquiries must be repeated no less than every three years for ongoing service providers.
- B. See Chapter 5000, section 5500, BACKGROUND INQUIRIES, for the processing of background inquiries.

101000 EMPLOYEE/EMPLOYER RELATIONSHIP

- A. A contractor is an independent person or business—**not** an employee of the department. CA staff must avoid the implications of an employer-employee relationship with non-public agency contractors.
- B. Generally, CA should not furnish the contractor a place to work or state resources, such as an office workspace, state vehicles, computers, telephones, etc. CA **must** not control or direct the day-to-day activities of individuals who perform contracted services. For more information, consult the *20 Common Law Factors* published by the Internal Revenue Service (IRS) to determine whether an individual is an independent contractor or is considered to be an employee.

101100 CONTRACTING WITH NON-PROFITS

- A. Organizations that are non-profit have received tax-exempt status from the IRS. These organizations cannot be “owned” by a sole proprietor or shareholders and must be governed by a board of directors. The term “non-profit” has nothing to do with whether an organization earns less money than it expends in a given year.
- B. Non-profit entities must put back all revenue into the operation of the entity. To do otherwise is termed “self-dealing” by the IRS, and this is roughly translated as “using dollars for personal gain.” However, the entity does not need to expend all its revenue each year—It can be accumulated, as long as it is eventually used for the organization. Potential or suspected abuses of non-profit status are to be reported to appropriate the contracts coordinator through the CAMIS Complaints Module.

101200 EMPLOYEE ETHICAL CONDUCT CONCERNING CONTRACTORS

- A. CA staff must adhere to the Washington State Ethics in Public Service Law, chapter 42.52 RCW, throughout the contract process. See chapter 8000, section 8110, for additional information. Legal requirements with special impact on contracting include, but are not limited to, the following:
 - 1. A contractor cannot be a current DSHS employee except by approved exception.
 - 2. A contractor cannot be a current state employee except in cases where the contract was competitively procured or the Employee Ethics Board (EEB) has approved the contract.
 - 3. A contractor cannot be a former state employee who developed or administered a contract for the service within the last two years of his or her state employment.
 - 4. An AAG opinion is required before contracting with a provider if a state employee is associated with the contractor in the capacity of an employee, board member, officer, or partner.
 - 5. CA staff must not accept an offer of employment or other compensation if there is reason to believe the offer is linked to performance or non-performance of official duties.

101300 CONTRACT MONITORING

CA must monitor its contracts with service providers in accordance with DSHS Administrative Policy (AP) 13.11, General Contract Monitoring Policy.

- A. Each CA Division Director and DCFS Regional Administrator must develop and implement contract monitoring plans for those contracts for which each Director or Regional Administrator are responsible. The types of contracts include Client Service Contracts, Personal Services Contracts, Purchased Services Contracts, and Interlocal Agreements for each program. The monitoring plans must include the elements contained in AP 13.11(A) (2).
- B. Each CA Division Director and DCFS Regional Administrator must assign contract monitoring staff to each of the contracts for which the Director or Regional Administrator is responsible. Among the responsibilities of the assigned monitoring staff will be those outlined in the division or region's monitoring plan, AP 13.11(A)(3) and the following requirements.
 - 1. CA must, through contracts coordinators and designated program managers, undertake the following tasks to determine the satisfactory delivery of contracted services according to the terms and conditions of contracts:
 - a. Provide consultation and technical assistance to vendors.
 - b. Monitor and periodically review services for compliance with contract terms and conditions, consistent with the following priorities:

- i. Monitoring of contractors about whom there have been health or safety concerns.
- ii. Monitoring of contractors about whom there are concerns expressed by staff or the community with respect to contract compliance.
- iii. All other contractors.

RCW 43.20A.420

- 2. Document monitoring visits and/or episodes, corrective action plans, and management decisions regarding completion of corrective actions.

101310 Monitoring Guidelines

101311 Purpose And Scope

- A. Guidelines for Children's Administration (CA) staff have been established to ensure that the department receives the services paid for through the contracting process and that the contractor is meeting the scope of work and specifications identified in the contract. This policy also establishes guidelines to determine which level of monitoring to apply to contracts and identifies tools that are available for use in contractor monitoring.
- B. The guidelines apply to all CA employees who have responsibility for contractor monitoring and to contracts, and Interlocal Agreements of the department, including agreements with Indian Nations.

101312 Policy

- A. Effective monitoring assists in identifying and reducing fiscal and program risk as early as possible, thus protecting both public funds and clients being served.
 - 1. CA views monitoring as a preventative function, an opportunity to determine the need for and provide technical assistance, and a valuable source of information concerning the effectiveness of services and service delivery methods.
 - 2. CA considers the contractor a strategic partner and encourages contractors to innovate, improve, and deliver better services.
- B. CA has developed a contractor monitoring approach to determine contractor compliance with the terms, conditions, and requirements of a contract, including state and federal requirements. CA also must verify documentation of work performance or outcomes in accordance with the contract.
- C. Based on staff resources and the Contractor Risk Assessment tool, each region and headquarters must develop a monitoring plan. For Client Service contracts, staff must utilize Level 1, Contract Compliance Self-Assessment, and/or Level 2, Contract Performance Checklist. Responsible CA staff must review all information gathered in monitoring activities in both levels, take action where appropriate, and document outcomes.

1. Level 1, Contract Compliance Checklist, consists of self-reporting by the contractor.
 2. Level 2, Contract Performance Checklist, consists of on-site CA staff review of records, files, and other written documentation, and interviews of staff, and clients.
- D. CA staff must, when undertaking activities related to contractor monitoring, also comply with:
1. Executive Order 98-02, Training and Protocols for State Investigators;
 2. Administrative Policy 7.14, Civil Rights Compliance Reviews;
 3. Administrative Policy 13.11 General Contract Monitoring Policy;
 4. Administrative Policy 14.07 Control of Fixed;
 5. Administrative Policy 16.01, Internal Audit;
 6. Administrative Policy 16.05, Internal Control Risk Assessment and Self-Evaluation; and
 7. Administrative Policy 16.07, Single Audit Act Responsibilities Administrative Policy 16.09, Audit.
- E. Staff assigned to conduct complete investigations on specific complaints filed against specific contractors must attend Investigator Training provided by the Department of Personnel as required by Executive Order 98-02 and as determined by the Administration.

101313 DEFINITIONS

- A. "Client Service Contract" means services provided directly to agency clients. Examples of client services include Family Preservation Services, Psychological Evaluations, and visitation/supervision services.
- B. "Contractor Monitoring" includes any planned, ongoing, or periodic activities such as reviewing, observing, and reporting that measure and ensure contractor compliance with the terms, conditions, and requirements of a contract. The planned activities may include responding to unanticipated concerns or stakeholders' complaints.
- C. "Contractor Monitoring Plan" means a written plan for monitoring contractor compliance with contract requirements.
- D. "Interlocal Agreement" means a contract or agreement between the department and any public agency, political subdivision, or unit of local government of this state including, but not limited to:

1. Municipal corporations, quasi-municipal corporations,
2. Special purpose districts, and local service districts;
3. Any agency of state government;
4. Any agency of the united states;
5. Any Indian tribe recognized as such by the federal government; and
6. Any political subdivision of another state.

Interlocal Agreements are governed by chapter 39.34 RCW, Interlocal Cooperation Act.

- E. "Personal Service Contract" means an agreement to purchase services provided by a consultant to accomplish a specific study, project, task, or other work assignment. This term does not include purchased services as defined in RCW 43.19.190 or 43.105.041. This term does not include client services. These contracts must comply with procurement and filing requirements of chapter 39.29 RCW, Personal Service Contracts.
- F. "Risk Assessment" means the process of evaluating exposures to the chance of harm or loss that could arise from some activity. Usually risk assessment consists of (1) identifying the risks and their classification based on characteristics, (2) measurement and evaluating the consequences of the risks, and (3) prioritizing risks based on evaluation. The purpose of risk assessment is to prioritize contract-monitoring activities.

101314 PROCEDURES

- A. Each CA Division of Children and Family Services (DCFS) Regional Administrator and CA Division Director must designate responsible staff to monitor contracts that fall within the responsibility of the respective organizations. Headquarters program staff will be responsible for contracts managed out of Headquarters and regional program staff will be responsible for contracts managed in the regions.
- B. Primary staff designated to monitor contracts must attend contracts training to include at a minimum Contractor Monitoring training offered by Central Contracts Services.
- C. Staff designated to monitor contracts must use approved monitoring tools and related instructions located on the CA Intranet home page. Staff must also utilize a Contracts Risk Assessment Tool to assist them in deciding which contracts to monitor at Level 1 and/or Level 2
- D. Regions and Headquarters must submit their annual monitoring plans to the Assistant Secretary each fiscal year, due no later than October 31 each year. This monitoring plan must be based on the Risk Assessment tool. These plans are subject to revision due to emergencies and unforeseen findings

- E. Regions and Headquarters must submit their summaries of monitoring conducted during the previous fiscal year, due no later than September 30 each year.
- F. As part of the monitoring process, staff must review relevant material when available. Such documents include audits performed by other divisions or state agencies or single audits.
- G. Staff designated to monitor contracts must coordinate efforts with other divisions or agencies when appropriate. This coordinated effort should include both monitoring activities and corrective action plans.
- H. Headquarters program managers must develop program specific monitoring tools as new programs are implemented.
- I. Staff designated to monitor contracts must follow up on any findings that necessitate corrective action, using designated forms located on the CA Intranet
- J. Staff must retain documentation in accordance with the record retention schedule specified by DSHS Central Contracts Services.

101400 VENDOR INVESTIGATIONS

- A. CA staff must report concerns about possible criminal activity on the part of contractors to their immediate supervisor, to the appropriate contracts coordinator, and to the appropriate program manager.
- B. The employee's supervisor immediately reports the allegation to CCS. The supervisor then immediately reports to the Area Administrator, who, in turn, immediately informs the Regional Administrator.
- C. The Regional Administrator determines whether the allegation warrants notification to the CA Assistant Secretary/designee and takes appropriate steps, which may include requesting the involvement of the Office of Special Investigations (OSI) under the provisions of DSHS Administrative Policy 10.06.

101500 CONTRACT DISPUTES

- A. Generally, differences between the department and contractors will be worked out between the parties as close to the point of service delivery as possible. Contracts coordinators or program managers will handle resolution of differences, as necessary.
- B. When a dispute arises over an issue related to a contract and it cannot be resolved, either party may submit a request for dispute resolution to CCS. Instructions regarding the dispute process are outlined in the Basic Terms and Conditions. The dispute resolution process administered by staff at CCS serves as the sole administrative remedy available to the disputing parties.
- C. The CA staff person responsible for management of the contract, either a contracts coordinator or a program manager, represents the administration at the hearing and

prepares and submits a written statement of the Administration's position, with supporting documentation, to CCS according to procedures established by CCS.

101600 CONTRACTOR EQUIPMENT/PROPERTY

Absent federal or state law or regulation governing a particular type of contract, ownership of all assets purchased in conjunction with a contract must be transferred to the contractor as part of the consideration for the contract.

101700 CONTRACTOR TRAVEL

- A. Contractor travel paid under the provisions of contracts or agreements with the department must be no higher than rates established in current State of Washington Travel Regulations.
- B. Contractors who provide transportation of department clients must ensure that:
 - 1. Drivers are at least 18 years of age, have a current driver's license that is valid for the classification of motor vehicle operated, have a good driving record, and have proof of liability and medical insurance coverage in accordance with DSHS Office of Risk Management requirements.
 - 2. Children use age and weight-appropriate child safety seats or restraints, which comply with Washington State law.
 - 3. Vehicles used to transport clients are maintained in safe operating condition.
 - 4. Number of passengers does not exceed the seating capacity of the motor vehicle(s).

101800 LIABILITY INSURANCE

- A. Contractors must carry and maintain liability insurance in accordance with the terms of their contracts with the department.
- B. Contractors must submit a Certificate of Insurance showing compliance with contract insurance requirements before providing services to the DSHS Risk Manager, Office of Risk Management, P. O. Box 45882, Olympia, WA 98504-5882.

101900 RESPONSIBILITIES FOR OVERSIGHT OF SUB-RECIPIENTS

- A. Contractors that receive federal financial assistance pass-through funds under a contract are considered sub-recipients and must comply with the federal Single Audit Act. For a definition of "sub-recipient," see Appendix A, DEFINITIONS.
- B. CA staff must obtain appropriate single audit reports from its sub-recipients (contracted agencies), to provide contract monitoring, and to follow up any corrective action plans. Refer to DSHS Administrative Policy No. 16.07 for requirements regarding sub-recipient oversight.

1011000 CONTRACT FILES

- A. The original, signed copy of the contract is retained by CA Division of Management Services, which is the Office of Record for all contracts.
- B. The official CA file for each contract is located in the office of origin: headquarters or the regional office. The CA file contains a copy of the contract, all contract reports, correspondence, action requested and taken, and all other documents and records relating to the contract.
- C. File retention is according to the following schedule:
 - 1. The Division of Management Services must retain all contract files for a minimum of four years past their end date if contract compliance has been satisfactory. Contract files will be maintained in Archives for an additional three years.
 - 2. The Division of Management Services must keep contract files of contractors where there have been health and safety concerns, compliance issues, or audit findings indefinitely or for a minimum of four years following the end date, with the files retained in Archives for an additional three years.